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| DISPATCH | | CLASSIFICATION R SECRET | DISPATCH SYMBOL AND NO. OPRA-42617 |
| TO | Chief, IO Attn: [] [] [] | HEADQUARTERS FILE NO. | |
| INFO | a n d [] [] | | |
| FROM | Chief of Station, [] | DATE 30 December 1958 | |
| SUBJECT | DIDORIC / Operational G F J M A C H I N E / Interview with Callender | RE: "43-3" - (CHECK "X" ONE) | |
| | | MARKED FOR INDEXING | |
| | | NO INDEXING REQUIRED | |
| ACTION REQUIRED | | INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY | |
| REFERENCE(S) | | | |

1. Callender telephoned [] on 29 December to arrange a meeting. At the meeting he volunteered the following information, most of which will be familiar to Headquarters but is recorded here in order to show how these events appear to Callender.

2. He said that about the 15th of November he had been asked whether RNPANNAGE would be an acceptable person for him to deal with in connection with his claims against FJNACHINE. To this he agreed, and two meetings on successive days were held with [] In the first of these, according to Calender, [] urged him to return to the fold and took his suggestion of a consultantship to mean that he accepted the resumption of such a relationship. Calender quickly corrected him and in their second meeting presented his terms.

3. Shortly thereafter, [] worked out an agreement with Callender's former Deputy, resolving the latter's claim against RJMACHINE. After this settlement had been achieved, [] sent Callender's Deputy to the RJMACHINE Counsel, who was in Paris at the time, to discuss the Callender affair. (Callender said that [] had never mentioned to him that the Counsel was in Paris.) Callender's former Deputy had two meetings with the RJMACHINE Counsel, in the first of which he was asked to convey some messages to Callender but specifically refused to attempt in any way to reduce Callender's terms vis à vis RJMACHINE.

4. Through this channel the FJ MACHINE Counsel told Callender that the President of QKIVORY, as well as Callender's former boss in New York, was out of the picture insofar as the negotiations were concerned. Callender was also informed that his former boss in New York had made the recommendation that he be discharged, that this recommendation had been accepted by the President of QKIVORY and submitted to the QKIVORY Board of Directors, and that the Board, in a split vote, had agreed to his discharge. However, the method in which the discharge was effected was not the responsibility of the Board, and consequently, the Board could not accept responsibility for damages accruing therefrom. With respect to the proposal of a consultantship, the Counsel stated that the wording of Callender's proposal -- i.e., no more than one day's work per month required -- would not be acceptable to the Board, and consequently should be phrased in some other way so that some solution could be worked out.

5. Callender subsequently sent his former Deputy back to the FJNACHINE Counsel, with the oral message that he was not adamant on the damage figure, and requesting that the Counsel submit a counter-proposal with respect to the consultantship. The Counsel replied that he would consult the members of the Board as soon as possible and would have an answer. At this point, Callender left Paris for London.

30 December 1958

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| FORM 10-57 53 (40) | USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE. | CLASSIFICATION SECRET | <input type="checkbox"/> CONTINUED | PAGE NO. |
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| CONTINUATION OF DISPATCH | CLASSIFICATION SECRET SECRET | DISPATCH SYMBOL AND NO. OFPA-42617 |
| <p>6. When he returned, during the week of 7-13 September, he called [] and indicated that because it was now three weeks since he had submitted his terms, he felt entitled to a reply by the end of the current week. [] agreed to send this message to his Headquarters. Callender subsequently learned that the FJ_MACHINE Counsel had been recalled to New York, but that [] was not aware of this fact. On the 12th of December, Callender received the cable referred to in DIR-06019, suggesting that he have his attorney contact the Paris Office of the firm FJ_MACHINE has retained to handle this case.</p> <p>7. Callender expressed his very considerable disappointment at these developments and stressed once again his resentment at having to deal with an organization whose representatives did not even keep each other informed on such matters. He emphasized his pledge to [] not to engage in a law suit without very serious consideration and not to endanger the national interest in any such legal action. He interpreted the cable referred to above as evidence that FJ_MACHINE itself had been the first to force the problem into legal channels. He felt that he has no alternative now but to instruct his attorney (Pierre Lapaulle, Harvard Law School graduate and attorney for such firms as ESSO, etc.) to make contact with FJ_MACHINE's legal firm as directed. He reiterated to [] his intention not to jeopardize the national interest by revealing or alluding to certain aspects of the situation.</p> <p>8. The unusual nervousness which Callender has exhibited in recent months continued to manifest itself. It was not possible, however, to be certain whether his obvious unhappiness about the cable and its contents was due to his disappointment that arrangements could not have been worked out within the FJ_MACHINE channel without bringing in outside legal advice, or to fear that his legal case may be weak.</p> <p>9. He had no comments to make about the future, except: (a) That shifting the negotiating arena to law offices means long delay while technicalities are argued, and (b) The mere fact that attorneys are now involved does not make a lawsuit inevitable. He still seems, for whatever reasons, to prefer an out-of-court settlement and perhaps believes that the FJ_MACHINE Counsel, who informed him in the cable that he had been designated to handle this case, intends to force him to unravel the complexities of OKIVORY's structure and decision-making processes if he wishes successfully to impute the blame for the implementation of the Board's decision on any individual or group from whom he could then claim damages.</p> <p>10. In answer to a specific question, he stated that the FJ_MACHINE Legal Counsel had made no attempt to contact him directly, but had merely indicated to his former Deputy that he would like very much to see Callender. Callender himself could not forget that the Counsel had co-signed the report of Callender's mismanagement, on which his discharge was allegedly based. The former Deputy, knowing this, said as much -- whereupon the Legal Counsel stated that he had written a quite different report after his visit here in the Spring of 1958, but that it had been suppressed in favor of the final version, which was written by his collaborator, who subsequently delivered the tidings to Callender.</p> <p>11. [] acknowledged to Callender that [] had been aware of the substance of the FJ_MACHINE Counsel's cable. Apgar also stated that Callender's previous interview had been reported directly to [] and that the same procedure would be followed with respect to this one. It is requested that this information be handled like that contained in OFPA-42277.</p> <p style="text-align: center;">[] []</p> | | |